

USAID/Russia
Operational Plan

FY 2006

June 13, 2006

Please Note:

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Program Performance Summary FY 2005: I. Democratic Reform

A. Country Situation:

Democratic reform suffered significant setbacks in 2005. At the same time there were some positive developments and signs of hope. Grassroots activism and popular will to participate in key decisions affecting day-to-day life were on vivid display in the strong show of popular pressure in January that succeeded in significantly softening the Putin Administration's aggressive cutbacks on entitlement programs. Regional media continued to grow, despite political pressures. NGOs spoke out boldly in defense of their sector's interests. Regional governments increasingly turned to NGOs for provision of social services. President Putin explicitly acknowledged the importance of civil society and the valuable role NGOs could play. Governors in regions all over Russia began in earnest to carve out pilot grant-making programs to enable NGOs to share in providing essential educational, health, and other social services -- a significant step forward in consolidating a constructive partnership between regional government and civil society. Yet at the same time high-profile prosecution and conviction of the head of Yukos, the threatened disbarment of the Yukos attorneys, and accusations of illegal property transactions launched against a former Prime Minister after he announced interest in running for President, all raised concern about the manipulability of the legal system. In addition, the state continued to ratchet up its control of the national broadcast media and efforts were undertaken to fast-track the introduction of legislation that would squelch non-governmental organizations (NGOs). According to Freedom House's 2005 report, Russia continued to lose ground on overall democratic reform, falling from an overall score of 4.96 (where 7.00 is the worst possible score) in 2003, to 5.25 in 2004; and falling slightly further to 5.61 in 2005. Reporters Without Borders gave Russia only a slightly improved mark, ranking it 138th of 167 countries in press freedom in 2005 - a scant two point increase over 2004, when Russian journalists mourned the sensational murder of Forbes Editor Paul Khlebnikov. The Parliament enacted a law creating the "Public Chamber," an official body hand-picked by the President and designated to speak on behalf of Russia's NGOs and civil society, advise President Putin on all draft laws affecting civil society, and call journalists to account for "excessive or inappropriate media reporting." This year also brought new laws that made political party registration more difficult and abolished gubernatorial elections in Russia's 89 regions, replacing elections with presidential appointment. Jury acquittals were increasingly overruled on appeal, and human rights advocates struggled with repeated accusations-often attributed by the media to FSB officials- of being foreign-funded agents.

B. U.S. Assistance Priorities:

In democratic reform, the priorities in 2005 were to encourage the positive trend in social service delivery partnerships between regional governors and NGOs; strengthen the independence of the judiciary and increase lawyers' and NGOs effectiveness in protecting the rights of disadvantaged citizens; while also protecting the independence of public debate and media coverage of social and political issues and supporting efforts to monitor elections. Much of this was accomplished through the strengthening of NGOs capacity and deepening civic action movements.

C. Program Performance:

Regional USAID-funded NGO networks in Siberia, the Russian Far East (RFE), Southern Russia, and the Volga Region all established new competitive grant-making programs jointly with various regional governors in their respective sections of the country. In Siberia's 11 regions alone, USAID partners launched over 20 grant competitions with regional government funding. Krasnoyarsk, for example, programmed over \$500,000 in public funds through NGOs in 2005. Policy research institutes ("think tanks") supported by USAID grants prepared more than 90 analyses that were incorporated into legislation and government policy initiatives. Twelve USAID-supported coalitions of business associations now unite more than 150 associations nationwide, and these groups won at least five legislative changes in various Russian regions in 2005 alone. USAID grantees working with independent Russian television, newspaper, and radio outlets continued strong professional training efforts (not only in journalistic techniques but also in business management) and promoted significantly improved news, social, and documentary programming. USAID partners also helped to create the conditions in which

Russia's media lawyers formed Russia's first media lawyers' association to help protect news outlets from selective law enforcement or other forms of external pressure on editorial freedom. Finally, in the rule of law area, USAID facilitated a delegation of senior Russian judges' trip to Washington in March at Chief Justice Rehnquist's request. The judges met with him and seven of the other U.S. Supreme Court Justices during the visit.

II. Economic Reform Assistance

A. Country Situation

Russian economic growth in 2005 has been influenced by three primary factors: a continuing rapid expansion of domestic incomes and demand, improvements in the expectations of investors, and growing competitive pressures from the real appreciation of the ruble. In this context, Russian economic growth remains strong, although the slowdown in many sectors since the second half of 2004 continues as does over reliance on the oil and gas sector. Recent data provides more evidence of growing competitive pressures from a stronger ruble. Higher oil prices have brought even greater windfall revenues to the federal budget. Core consumer price inflation remains roughly at the same level as in 2003 and 2004. President Putin and the government have taken a number of steps to reassure private investors of a political commitment to improving the investment climate even though actions, such as the Yukos-related prosecutions and some apparent efforts at re-nationalization have raised questions. The government has continued the implementation of previously launched reforms, but appears to have postponed any new major initiatives until after the elections in 2008. Nevertheless, many regions plan to launch the very ambitious and far-reaching reform of local self-government scheduled in 2006. The Government of Russia has placed a political priority on increasing the activity of the state in the economy in partnership with private investors through Public-Private Partnerships, special economic zones, and concession agreements.

B. U.S. Assistance Priorities

USAID/Russia assistance priorities for economic reform in FY 2005 focused on expansion of the micro-finance sector, expansion of the credit cooperatives system to the North Caucasus, banking sector reform, and access to credit for small businesses through credit guarantees.

USAID has supported the development of a national-level resource center for the entire microfinance industry in Russia. The center provides training, consulting, and dissemination of microfinance best practices and standards, legal support, and improvement of legal environment.

In the RFE region, USAID continued institutional development of two Russian Microfinance Institutions (MFIs) on Sakhalin Island. Thanks to Global Development Alliances fostered by the Mission, these USAID-supported institutions receive funds from Exxon Neftegas Limited and Sakhalin Energy to increase access to finance for small business entrepreneurs on the island.

USAID-supported banking sector reform through work with the Central Bank of Russia (CBR) on upgrading supervision, implementation of the deposit insurance system which USAID's earlier efforts helped introduce, introduction of credit bureaus, anti-money laundering and fighting terrorist finance.

USAID/Russia helped the banking sector to meet the financial needs of small and medium-sized enterprises (SMEs). Currently, the Mission uses Loan Portfolio Guarantees (LPG) that provide a 50% guarantee on net loss on loans made to SMEs. Through this program, USAID encouraged commercial banks to extend loans to SMEs which might not otherwise be able to access credit in the formal financial markets due to the perceived risks of small business lending.

In the RFE, USAID supported better management of Russia's important forest resources. USAID's partners trained local officials in sustainable management, supported environmental NGOs, implemented public information campaigns to stimulate citizen involvement in resource management issues, and supported the development of small businesses based upon sustainable use of non-timber forest resources. USAID/Russia supported the dissemination of environmental and energy efficiency best

practices by partnering NGOs across Russia and mobilizing communities to work in public-private partnership to solve problems.

C. Program Performance

USAID has helped over 350 MFIs through its partners. USAID supported annual national microfinance forums and conferences which attracted over 400 participants representing the microfinance community, the banking community, the GOR, and other donors. USAID's partners have been instrumental in focusing the Government's attention on the potential of micro-finance in Russia and building a constructive reform agenda to ensure the continued development and expansion of this sector. Moreover, USAID has been instrumental in focusing attention of commercial banks on the economic potential of this market.

USAID-funded technical assistance led to active SME lending operations throughout Sakhalin Island and was leveraged with \$750,000 in private capital contributions from Exxon Neftegas Limited and Sakhalin Energy. With a current active loan portfolio of \$2.1 million, and a four-year history of more than \$17.9 million in loans, this USAID-supported lending operation has not experienced a single default.

In FY 2005, USAID's banking reform program was instrumental in supporting the roll-out of Russia's new Deposit Insurance System following up on USAID's earlier work which was vital to the system's original adoption. In addition, through training of CBR examiners, USAID has had a substantive effect on the adoption by the CBR of effective risk-based supervision methodologies, promoted formation of long-term professional contacts between Russian and American financial sector regulators, and furthered joint efforts in anti-money laundering and fighting terrorism financing in Russia.

Since 2000, USAID has signed LPG agreements with four Russian commercial banks under the Credit Guarantee Program. These banks are BIN-Bank and Russian Banker's House, SDM Bank in Moscow, and Center Invest Bank in Rostov-on-Don. To-date, these banks have made over 660 loans amounting to approximately \$22 million in 15 Russian regions. Thus, each dollar of USAID's investment in this guarantee program has generated approximately \$20 in loans to small businesses and micro-enterprises in Russia. All loans placed under guarantee by these four banks were repaid with only one exception (repayment rate =99.84%).

More than 30,000 RFE residents participated in USAID's sustainable forest management and resource protection public information campaigns. In addition, 165 representatives of NGOs and regional and municipal agencies were trained in sustainable forest management. Twenty-six logging companies, 22 NGOs, and 27 administration officials received training related to illegal logging and timber certification. The fire prevention public information campaign is now institutionalized nationally by the Ministry of Natural Resources, as is the pest monitoring methodology, which will be applied nation-wide. USAID-supported NGO partnerships in 21 regions, focused on the RFE and Siberia. The quality of communal services was improved in 32 communities through the introduction of energy-efficiency technologies.

III. Social Reform and Humanitarian Assistance

A. Country Situation:

Russia faces a demographic implosion. With present trends, the total population will fall by 30% by mid-century and the proportion of people over 45 will increase to 30% by 2016. In the approximately 15 years since the disintegration of the Soviet Union, life-expectancy for males has dropped each year, going from 70 to 59. Russia has one of the fastest growing HIV/AIDS epidemics in the world, as well as multi- and extremely-drug-resistant tuberculosis (TB.) This year also saw outbreaks of dangerous strains of avian flu in swans, ducks, and other wild fowl. Russia continues to experience unrest in the North Caucasus, increasing the threat of terrorism elsewhere in the country. Terrorist incidents have been frequent both in Moscow and in the regions, resulting in hundreds of fatalities.

In the past year, political leaders have increased political and financial commitments to battling HIV/AIDS.

On September 27, 2005, President Putin stated that HIV/AIDS is a serious problem in Russia and that national government spending to fight HIV/AIDS will increase twenty-fold. Concurrently, Presidents Bush and Putin agreed on a joint collaborative effort to address HIV/AIDS through the Bratislava Initiative - an initiative which entails laboratory capacity building; expanding HIV/AIDS knowledge; developing an HIV/AIDS vaccine; and continuing post-graduate medical education. The Ministry of Health and Social Development (MOHSD) has begun work on a national HIV/AIDS program for 2007-2011. The Russian Orthodox Church in recent months has made public statements endorsing assistance to people living with HIV/AIDS and unveiled its plan to provide help. The Ministry of Defense is increasingly dealing with HIV/AIDS in the military, and has conducted two joint Ministry of Defense/USG conferences to open a dialogue on increasing and improving HIV prevention efforts.

The fall of the Soviet Union has brought increased migration and mobility, rising unemployment, as well as a breakdown in Soviet health structures; all of these factors contribute to the transmission of sexually transmitted infections including HIV. Increases in risky behaviors have led to rapid growth in the number of Intravenous Drug Users (IDU), currently estimated at 68% of the HIV cases, as well as Sexually Transmitted Infections (STI) rates in the general population. Recent trend data suggest a shift to sexual routes of transmission with a greater proportion (38% of all new cases) of women being infected.

B. U.S. Assistance Priorities:

In FY 2005, the USG's main assistance goals in the social services sector were to launch a comprehensive Embassy-wide approach to battle the HIV/AIDS epidemic in Russia with an emphasis on building Russian political, business, religious, and scientific leadership; additional goals include strengthening Russia's nationwide response to tuberculosis and other infectious diseases including Hepatitis B and C, and the efficient delivery by local and municipal governments of a broad range of social services related to child welfare the environment, and economic planning. At the end of the fiscal year, the Embassy turned its attention to an Embassy dialogue with the Government of Russia on the avian flu epidemic in migratory birds.

There is a long history of U.S.-Russia partnerships in the social sector. For nearly a decade, the USG has worked collaboratively with Russian federal-level counterparts to strengthen primary health care systems, focusing on maternal and child health and family planning services through public-sector and non-governmental facilities, and on biomedical research, disease surveillance, and diagnosis and treatment of infectious and chronic diseases. The USG has also worked with local governments to streamline social service administration, improve the targeting of benefits, and shift more service provision into the NGO community through competitive grants and contracting mechanisms. In addition, USG collaboration with ecological and health authorities in the regions has concentrated on improving the environment. In education, USAID-funded partners' efforts focused on primary and secondary education, and more specifically, on the rights of disabled children to equal access, and on consolidating civics and volunteerism training.

C. Program Performance:

Due in part to USG-funded assistance programs, targeted areas in Russia have seen a falling rate of abortion, improved success rates in treating tuberculosis, improved primary care standards, greater municipal funding for health care on HIV/AIDS and TB, decreases in the number of abandoned and vulnerable children, an increased commitment to foster care, and greater Russian Government attention to AIDS prevention and to the treatment, care, and support of people affected with HIV/AIDS. USG-funded programs have also helped Russian scientists pursue civilian research in important areas such as HIV/AIDS and TB, including diagnostics and laboratory capacity building.

USAID's maternal and child health program successfully integrated internationally recognized practices on reproductive health and family planning in 14 regions reaching 9.5% of the population. Preliminary data from the project's monitoring system demonstrated significant changes in the key project indicators, such as a 14% decline in abortion rates compared with the baseline in 2002; increased family support during labor and delivery at maternity hospitals (from zero to 35%); increased exclusive breastfeeding up

to six months (from 17% to 47%); increased use of evidence-based practices (from zero to 60%) and decreased use of ineffective or harmful practices (82% to 22%).

While HIV infection rates continue to be extremely high in Russia, U.S. assistance programs enjoyed significant success in 2005, particularly in preparing high prevalence regions to scale up treatment services for AIDS patients, promoting public awareness, and involvement for the business community, and building high-level political leadership on this issue. In 2004, USAID launched a treatment and care program in four high HIV/AIDS prevalence regions which partners Russian cities with U.S. partners in twinning arrangements. Samara, Saratov, Orenburg, and St. Petersburg - the four USAID supported sites - have served as models for the newly launched Global Fund treatment sites (ten in all). Registration for antenatal care before 12 weeks of gestation increased 33% from FY 2003 (baseline). Significant progress was also made in Togliatti where availability of HIV tests before delivery increased by 18% and family planning and counseling increased by 48% compared to FY 2003.

USAID's support for communications, advocacy, and research helped launch activities in four regions. Representatives from the four regions were trained in using an international model to analyze regional budgetary needs to develop an effective response to HIV/AIDS. Manuals and communication materials were developed for training peer educators and, following pilot testing, reached 1,695 youth. USAID also supported the development of an HIV/AIDS school-based curriculum for ages 15-18. The Ministry of Education approved the curriculum and it has been implemented in 25 schools. The program is now expanding to a total of 92 schools, to reach 8,000 students. An HIV/AIDS counseling manual, video, and materials were approved by the MOHSD for use throughout Russia, and USAID funded a training of trainers to establish a cadre of specialists to train others in counseling techniques.

In an HIV/AIDS epidemic such as Russia's, prevention activities must focus on high-risk populations. With USAID funding, approximately 20 regional NGOs were involved in HIV/AIDS prevention activities targeting core HIV transmitters. In FY 2005, approximately 36,000 prostitutes and IDUs were reached in project sites through linkages with medical or social services as well as through provision of educational materials on HIV prevention. Youth peer education programs were expanded in Samara, Saratov, and St Petersburg to reach an estimated audience of 6,000. The programs consisted of training of trainers for peers on abstinence, safe sex, and HIV/AIDS. New materials promoting Abstinence, Be Faithful, and Condoms (ABC) were developed and distributed to more than 100,000 young people. Two popular youth-oriented websites in Russia (one focusing on personal risk perception and the ABC promotion; and one on drug demand reduction) reached approximately 500,000 individual users in FY 2005.

HIV/AIDS Policy Advocacy and Business Against HIV/AIDS programs have been implemented on the federal and regional levels in FY 2005. The Russian Parliamentary Working Group established in 2004 consists of 16 Parliament members. A key accomplishment was a national security council discussion on HIV/AIDS held at the November 2005 meeting of the State Council. The "Business Against AIDS" network, which aims to build awareness and commitment among senior business and labor leaders in the fight against AIDS, was launched. At the March 2005 summit, Deputy Prime Minister Alexander Zhukov and Minister of Health and Social Development Mikhail Zurabov called on business leaders to expand workplace programs to fight HIV/AIDS and protect workers' rights. Employer programs were conducted for Alfa-Bank, Ingosstrakh, General Motors, Nestle Foods, Wimm-Bill-Dann, PepsiCo International, Shell, TNK-BP, Transaero Airlines, and for all the members of the "Business Against AIDS" network which represents a 50% expansion of businesses involved in the fight against AIDS.

With the rapid increase in the HIV epidemic in Russia over the last five years and the increasing proportion of women infected, the overall incidence of mother-to-child transmission of HIV has increased dramatically. The MOHSD estimates that 25,000 babies will be born to HIV-infected mothers in Russia in 2006. Over the last three years, prevention services of mother-to-child transmission of HIV (PMTCT) have been rapidly scaled up. As a member of a national PMTCT committee, USAID's technical assistance programs contributed to the development of national guidelines on PMTCT which follow Center for Disease Control (CDC) and World Health Organization (WHO) standards and recommended approaches. USAID-supported pilot programs on rapid HIV testing for women of unknown status presenting in labor; the "rapid test" method is now incorporated in the national guidelines. With financial

support from USAID, a WHO-CDC generic PMTCT training curriculum has been adapted to Russia and is currently being rolled out in 16 regions of the country.

The TB control program was active in eight Russian regions for both civilian and prison populations. The program financially assisted regional governments to respond to epidemics through the adaptation and implementation of the internationally recognized WHO approach to TB diagnosis and treatment. The modern TB control systems implemented in these eight regions resulted in increased treatment success rates up to 75-80%, the development of replicable models in TB treatment and care, and the improvement of laboratory performance and infection control. The main achievements included: 1) the multi-drug resistant tuberculosis treatment program was operational in two regions, with approximately 240 patients enrolled and treatment success rate exceeding 70%; 2) more than 4,500 health professionals were trained in TB-related issues; 3) 12 microbiological laboratories were fully equipped; 4) as a result of the efforts invested, the MOHSD issued new executive orders on TB diagnosis and treatment, recording and reporting systems and prevention and treatment of HIV-associated TB; 5) guidelines and training materials on the provision of TB care to people living with HIV/AIDS were developed; 6) infection control was improved in four TB central oblast laboratories; and, 7) an agreement was signed between the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GFATM) and the Russian Health Care Foundation for the implementation of the first two years of a comprehensive TB-control program in Russia. This five-year TB control program, expected to reach \$91 million of funding, was designed in cooperation with USAID.

While the problem of drug resistant, multi drug-resistant, and extremely drug-resistant TB continues to be extremely important in Russia, the pilot multi-drug resistant TB treatment program illustrated the effectiveness of USAID's related protocol, which now is used nationwide in the penitentiary system. The MOHSD benefited from USAID's experience through the introduction of modern TB diagnosis, treatment, recording, and reporting protocols.

A USAID-supported disabled children's education advocacy NGO won a significant court case on behalf of several clients whose children sought to be "main-streamed," and also participated in a Parliament-sponsored effort which successfully amended the law on education of children with disabilities. Meanwhile, for the second successful year, USAID-supported NGOs significantly expanded their successful nationwide campaign to encourage and reward high school student social volunteer teams who identify and execute concrete community improvement projects.

FY 2006 Program**SO: 118-0100 Strengthened Environment for Small and Medium Enterprises in Areas of Strategic Interest****Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$820,000 FSA). USAID will support civil society development and humanitarian assistance in the Chukotka region and training and business skills development for small and medium enterprises (SMEs) in the Russia Far East (RFE). Principal partner: University of Alaska at Anchorage (UAA).

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector & Increase Access to Capital (\$4,180,000 FSA). USAID will continue to support the development of a vibrant micro-finance sector at the national, regional, and community levels. USAID assistance has been instrumental in creating this economic sector in Russia which made more than \$88 million in small business loans in FY 2005. USAID will support sector-specific policy development, advocacy, legal reform, and training at the national level through more than 400 micro-finance institutions (MFIs) and credit cooperatives nationwide which represent a powerful voice for Russia's emerging entrepreneurial class. Additionally, USAID will work to enhance cooperation between MFIs and the formal banking sector to further access to commercial credit for its membership and their clients. The key program goal is to institutionalize the Russian Microfinance Center (RMC) and a recently created second-tier Micro-finance Fund (Centurion Capital) as sustainable legacies to USAID's assistance. USAID will provide the remaining capital for Centurion Capital's start-up operations. In the RFE, USAID will continue institutional development of two Russian MFIs on Sakhalin Island - the Sakhalin Small Enterprise Development Foundation and Sakhalin Small Business Credit Society. These USAID-supported institutions will continue to cooperate actively under Global Development Alliance arrangements with Exxon Neftegas Limited and Sakhalin Energy to increase access to finance for small business entrepreneurs on the island. USAID will support the Central Bank of Russia (CBR) as it finalizes implementation of the Deposit Insurance System (DIS) and continues to upgrade its on-site banking supervision capacity. USAID will also select a final group of banks for targeted technical assistance and training to strengthen their ability to mobilize savings and engage in commercial lending to small businesses. The combination of deposit insurance, bank supervision, and targeted technical assistance will stimulate additional deposits by consumers and more-effective lending by commercial banks. Working with a private sector bank through a Global Development Alliance, USAID's anti-money laundering (AML) activity will strengthen Russian expertise in the identification and prevention of money-laundering and terrorism finance. This activity will build upon eight years of cooperation between the CBR and U.S. financial regulators, and will address the most urgent needs for both countries. This will include internships for CBR senior managers with U.S. financial regulators and in-Russia training for CBR and commercial banks on improved AML policies and procedures. These activities will support a regional effort, within the Newly Independent States and Asia, and will be coordinated with the U.S. Treasury and U.S. Department of Justice. Under the North Caucasus (NC) Initiative USAID will support: the development and expansion of regional enterprises, particularly in rural areas; link enterprises and institutions to on-going programs and institutions in other regions in Russia; and provide entrepreneurs in the NC with financial, business development and technical services to support business growth and economic integration of the NC with Russia. USAID will support rural credit cooperatives and agribusiness development through enhanced access to credit, and strengthen NC agri-businesses and agriculture support institutions, like universities. Principal partners: Financial Services Volunteer Corps (FSVC), Development Alternatives Inc. (DAI), Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) and new partners to be determined.

FY 2007 Program**SO: 118-0100 Strengthened Environment for Small and Medium Enterprises in Areas of Strategic Interest**

Improve Private Sector Competitiveness

Improve Private Sector Competitiveness (\$708,000 FSA). USAID intends to focus efforts on SME development in the RFE and strategic cities. Principal partners: Same as above.

Strengthen The Financial Services Sector & Increase Access to Capital

Strengthen the Financial Services Sector & Increase Access to Capital (\$3,000,000 FSA). In FY 2007, USAID will concentrate final funding on micro-finance legacy institutions, including a direct grant to the RMC, and additional capitalization for Centurion Capital. Additional capital will be supported with a Development Credit Authority Guarantee to enhance Centurion's ability to access private debt sources. The micro-credit program on Sakhalin Island will receive additional funding to expand the reach of the program to underserved areas in the RFE and to bolster business planning capacity. Additional credit, agribusiness, and local economic development efforts will focus on the strategic NC region. During FY 2007, USAID will also continue to develop post-presence capacity to support essential final banking reforms. This effort will concentrate on improving banking system transparency, additional bank examiner capacity-building, and further strengthening of partnerships with American bank regulators. Given Moscow's status as a regional financial center, an important focus of this effort will include assistance on AML. As part of the U.S. Government effort to eliminate illicit financial flows and combat terrorism, USAID will help the CBR and the private sector to improve AML awareness and compliance. In addition to the direct benefits, these activities will serve to promote savings, discourage corruption, improve regional AML practices, and encourage banking practices that are important to forming a stable middle class. Principal partners: Same as above.

FY 2006 Program

SO: 118-0200 More Open, Democratic Society

Establish & Ensure Media Freedom & Freedom Of Information

Establish & Ensure Media Freedom & Freedom of Information (\$4,818,000 FSA). USAID will help improve the sustainability and professional standards of independent TV, radio, and newspapers through training, competitions, and social marketing campaigns. USAID will also promote professional, unbiased coverage of public policy, political, and electoral issues. Principal partners: Internews Russia, Eurasia Foundation, Foundation for Independent Radio, Foundation for Informational Policy Development.

Promote and Support Credible Elections Processes

Promote and Support Credible Elections Processes (\$1,655,000 FSA, \$750,000 FSA prior year recoveries). USAID will support a leading election oversight non-governmental organization (NGO) to monitor local and regional elections. Other new programs will monitor media coverage of political issues and assist other organizations intending to monitor elections in the next two years. Principal partners: Voice Association and to be determined (TBD).

Reduce Trafficking In Persons

Reduce Trafficking In Persons (\$750,000 FSA). USAID will help crisis centers to improve the job skills and risk awareness of youth at risk of being trafficked. Principal partners: TBD.

Strengthen Civil Society

Strengthen Civil Society (\$18,900,000 FSA, \$4,152 FSA prior year recoveries). The national program, "Dialogue," will help NGOs to conduct policy dialogue with government while policy think tanks will

contribute to informed debate among the public and policymakers on economic, social, and environmental reforms and sustainable NGO financing. Resource Centers in 20 regions will support civic activism and community problem-solving, including in the Russian Far East (RFE). Civic education programs will build youth citizenship and service-learning. Public-private partnerships will be built to leverage resources in the civil society area. The New Eurasia Foundation, an American-European-Russian partnership, founded by the Eurasia Foundation and others, will continue to promote corporate social responsibility, policy development, and youth involvement. Principal partners: International Research and Exchanges Board, Institute for Urban Economics, Moscow School of Political Studies, Moscow Public Science Foundation, Eurasia Foundation, Institute for Economies in Transition.

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$3,910,000 FSA, \$630,000 FSA prior year recoveries). USAID will enhance organizational capacity of democratically-oriented parties, encourage and intensify coalition-building efforts for the 2007-2008 elections, and promote cooperation with NGOs. Community-based initiatives in selected regions will teach Russian youth to apply democratic principles and pursue civic initiatives. New partnerships will strengthen Russian policy institutes capacity to analyze campaign and policy issues. Principal partners: National Democratic Institute (NDI), International Republican Institute (IRI), Project Harmony, TBD.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$4,362,000 FSA). Russian-American judicial exchanges, capacity building of Russian judicial institutions, and 'sister bar' partnerships will complement several other programs to promote NGOs' use of the legal system. Human rights advocacy, legal clinics, and advocacy programs will aid refugees and disadvantaged groups. Principal partners: Chemonics International, American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI), International Memorial, Moscow Helsinki Group, Bay Area Council for Jewish Rescue and Renewal.

Support Democratic Local Government & Decentralization

Support Democratic Local Government & Decentralization (\$3,605,000 FSA). Local governance activities will assist Russian communities to implement local governance and budget policy reforms. New approaches will include city-to-city partnerships, pooled finance, and Development Credit Authority guarantee structures to support private-sector-led solutions to deliver public services. USAID will also support the promotion of strengthened and effective local government in the North Caucasus and strategic cities. Principal partners: Center for Fiscal Policy, Institute for Urban Economics, TBD.

FY 2007 Program

SO: 118-0200 More Open, Democratic Society

Establish & Ensure Media Freedom & Freedom Of Information

Establish & Ensure Media Freedom & Freedom of Information (\$4,100,000 FSA). USAID will emphasize the independence, editorial excellence, and civic engagement of regional media sources, and election-related seminars for officials and journalists. Principal partners: Same as above.

Promote and Support Credible Elections Processes

Promote and Support Credible Elections Processes (\$1,605,000 FSA). USAID will support the efforts of an evolving NGO coalition for election monitoring; assist the domestic watchdog organization "Voice"; and support multilateral efforts wherever possible. Principal partners: Same as above.

Strengthen Civil Society

Strengthen Civil Society (\$13,499,000 FSA). A new regional grants program will support NGOs and promote tax and other reforms. Policy analysis and civic education efforts will also expand. Principal partners: Same as above.

Strengthen Democratic Political Parties

Strengthen Democratic Political Parties (\$2,010,000 FSA). USAID will support democratically oriented parties in preparation for the 2007-2008 elections. Principal partners: Same as above.

Strengthen the Justice Sector

Strengthen the Justice Sector (\$3,155,000 FSA). USAID will support clinical legal education, judicial reform and partnerships and NGO monitoring of Russian compliance with international standards. Assistance to human rights NGOs will continue. Principal partners: Same as above.

Support Democratic Local Government & Decentralization

Support Democratic Local Government & Decentralization (\$3,815,000 FSA). USAID will expand the program to more regions and municipalities to foster active citizen participation in the design and delivery of public services and attract private financing for new solutions to improve service delivery. Principal partners: Same as above.

FY 2006 Program

SO: 118-0211 A More Open, Participatory Society

Strengthen Civil Society

FY 2006 Program

SO: 118-0300 Use of Improved Health and Child Welfare Practices Increased

Address Other Health Vulnerabilities

Address Other Health Vulnerabilities (\$4,775,000 FSA, \$516,000 FSA prior year recoveries). USAID will roll out improved medical and social services and facilitate the development of child welfare standards necessary for building a sustainable system to prevent child negligence and abandonment and reduce the number of children in institutional care. USAID will continue to support its psycho-social assistance to children in crises in the North Caucasus (NC) region. USAID will support the in-school program aimed at promoting healthy lifestyles among youth, and new partnerships with the Ministry of Health in the areas of children and families in crisis. Principal partners: International Exchange and Research Board (IREX), Johns Hopkins University (JHU), United Nations Children's Fund (UNICEF), American International Health Alliance (AIHA).

Prevent & Control Infectious Diseases Of Major Importance

Prevent & Control Infectious Diseases of Major Importance (\$4,895,000 FSA). The TB control program will continue in eight regions of Russia, including the Russian Far East (RFE). USAID will continue efforts to introduce and expand treatment of multi-drug resistant (MDR) TB, infection control measures, and provision of care to TB patients for possible replication nationwide. The program will also refine TB-

related national guidelines. In addition to TB-related activities, model TB/HIV co-infection sub-programs will start in prisons in three regions. USAID will also support vaccination interventions in the RFE as well as Hepatitis B prevention and control interventions in the RFE. Assistance will be provided to strengthen primary health care in the NC. Principal partners: World Health Organization (WHO), Department of Health and Human Services (HHS), International Federation of the Red Cross and Red Crescent Societies (IFRC), University Research Corporation (URC).

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission & Impact of HIV/AIDS (\$7,000,000 FSA, \$2,970,000 CSH). USAID HIV/AIDS prevention and care activities will strategically leverage resources and opportunities of other donors, such as the Global Fund, and will form synergistic partnerships with international organizations such as the United Nations Development Program (UNDP), non-government organizations (NGOs), businesses, and federal, regional, and local governments. The HIV treatment, care, and support initiative will continue in five regions to empower local leaders to help promote multi-sectoral collaboration; establish support for people living with HIV/AIDS; engage and strengthen NGOs working in prevention, care and support; ensure control of HIV transmission; and, build capacity to apply a quality improvement methodology. Finally, the U.S. Government, with USAID technical and financial support will continue the Bratislava Initiative - an agreement between Presidents Bush and Putin to jointly collaborate in addressing the global threat of HIV/AIDS. Principal partners: AIHA, Population Services International (PSI), Transatlantic Partners Against AIDS (TPAA), Centers for Disease Control and Prevention (CDC), the Joint United Nations Program on HIV/AIDS (UNAIDS), UNDP, IFRC, URC.

Support Family Planning

Support Family Planning (\$3,300,000 FSA, \$3,450,000 CSH carryover). USAID's support for quality reproductive health services will continue with an emphasis on preventing abortions. The program will focus on risky behavior in youth. A patient-centered coordinated system of care, providing family planning information, services, and contraceptive methods as a part of HIV prevention programs to people living with HIV/AIDS and their partners in three regions will be developed. The system will include AIDS centers, women's consultation centers, youth health centers, maternity houses, sexually transmitted infection (STI) clinics, narcological dispensaries, and NGOs working in the area of prevention. Another activity will decrease abortions and HIV/AIDS, STIs, and related risk behaviors by increasing young peoples' access to age-appropriate and culturally relevant reproductive health and family planning counseling and treatment services in the NC. A nationwide Couples' Campaign will engage men in reproductive decision-making, encourage family preservation, and child spacing. Principal partners: JHU, UNICEF, URC, AIHA.

FY 2007 Program

SO: 118-0300 Use of Improved Health and Child Welfare Practices Increased

Address Other Health Vulnerabilities

Address Other Health Vulnerabilities (\$2,865,000 FSA). USAID will continue to develop a sustainable child abandonment prevention system to reduce the number of neglected children and children in institutional care. Programs addressing youth and families will continue, as will in-school programs aimed at youth. Principal partners: Same as above.

Prevent & Control Infectious Diseases Of Major Importance

Prevent & Control Infectious Diseases of Major Importance (\$3,975,000 FSA). USAID will continue to strengthen pilot TB programs to serve as the model for greatly expanded World Bank/Government of Russia (GOR) and Global Fund grant programs. USAID will address TB/HIV co-infection, MDR TB

treatment, and improvement of patients' compliance to therapy. HIV prevention sub-programs will start in prisons in two regions. Efforts to revive the primary health care system in the NC will be continued. Principal partners: Same as above.

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission & Impact of HIV/AIDS (\$5,321,000 FSA, \$2,970,000 CSH). USAID will work closely with UNAIDS, and the Global Fund. Technical support will continue to be provided to the GOR for implementation of HIV/AIDS and TB Global Fund grants. Additional NGOs will provide prevention services to the most at-risk populations. Access to treatment, care, and support services will increase. Policy and advocacy activities will increase national and local resources for HIV/AIDS programs. Principal partners: Same as above.

Support Family Planning

Support Family Planning (\$2,650,000 FSA). A new model of medical-social services on reproductive health for vulnerable groups, including vulnerable youth will be developed and piloted in two regions. Principal partners: Same as above.

FY 2006 Program

SO: 118-0321 Use of Improved Health and Child Welfare Practices Increased

Address Other Health Vulnerabilities

Prevent & Control Infectious Diseases Of Major Importance

Reduce Transmission & Impact Of HIV/AIDS

Support Family Planning

FY 2007 Program

SO: 118-0321 Use of Improved Health and Child Welfare Practices Increased

Address Other Health Vulnerabilities

Prevent & Control Infectious Diseases Of Major Importance

Reduce Transmission & Impact Of HIV/AIDS

Support Family Planning

FY 2006 Program

SO: 118-0420 Program Support

Program Support

Program Support (\$2,737,000 FSA, \$2,752,365 FSA carryover, \$204,408 FSA prior year recoveries). As a part of the overall participant training program, USAID will implement a Community Connections project.

The broad public diplomacy goal of the Community Connections project is to contribute to economic and democratic reform, and to promote mutual understanding in Eurasia through exposure to American society and personal connections with Americans. Through local community host organizations in the United States, entrepreneurs, local government officials, legal professionals, civil society organizations leaders, and other professionals from Russia will be provided with a three to five week home stay-based program in the United States, tailored to their professional or business interests. To promote the GDA initiative, USAID will support public-private alliances to carry out activities under the USAID country strategy. USAID will implement dissemination grants across Russia for Regional Initiative sites. In addition, evaluations, assessment, and studies will assess and document program impact, identify implementation issues, make recommendations for their resolution, and improve understanding of Russia's development challenges. Principal partners: World Learning (prime), International Research and Exchanges Board (prime), Project Harmony (sub), and new partners to be determined (TBD).

Support Populations at Risk

Support Populations at Risk (\$1,800,000 FSA, \$450,000 FSA carryover supplemental). USAID will continue to support projects that help to mitigate conflict and promote ethnic reconciliation to populations at risk in the North Caucasus. Also, USAID, along with the rest of the international donor community, will begin to transition from humanitarian assistance to a more sustainable development approach during the life of the USAID country strategy to help integrate these communities into the social and economic mainstream. Principal partners: TBD.

FY 2007 Program

SO: 118-0420 Program Support

Program Support

Program Support (\$2,365,000 FSA). USAID intends to continue support for the goals of the Community Connections program, GDAs, as well as special initiatives in the Russian Far East. USAID plans to conduct studies, assessments, and related activities for program design and evaluation. Principal partners: Same as above.

Support Populations at Risk

Support Populations at Risk (\$1,000,000 FSA). USAID intends to continue support to populations at risk in the North Caucasus by helping to mitigate conflict, promoting economic viability, and reorienting affected communities into the social and economic mainstream. Principal partners: TBD

Results Framework

118-0100 Strengthened Environment for Small and Medium Enterprises in Areas of Strategic Interest

Program Title: Small and Medium Enterprises

118-0130 Accelerated Development and Growth of Private Enterprises

Program Title: Private Enterprise Growth and Development

118-0131 Small and Medium-size Enterprise Sector Strengthened and Expanded

Program Title: Small Business Development

131.1: Policy Environment for Small and Medium Enterprises Strengthened

131.2: Access to Finance for Small and Medium Enterprises Increased

131.2.1: Policy Environment for Non-Bank Financial Institutions Providing Services to SMEs Improved

131.2.2: Financial Services to SMEs Expanded

131.3: High Quality Business Services to SMEs Strengthened and Expanded

131.4: More Students Educated in Business Practices, Civics, and Ethics

118-0140 Improved Economic Infrastructure to Support Market-Oriented Growth

Program Title: Market-Oriented Economic Infrastructure

118-0141 Market-Oriented Reforms Developed and Implemented in Selected Sectors

Program Title: Economic Policy Reform

141.1: Independent Russian Economic Think Tanks Strengthened

141.2: Resources to Russian Businesses and Entrepreneurs Efficiently Channeled by Banking Sector

141.3: Business Environment for Trade and Investment Improved

141.4: Fiscal Policies Developed and Adopted Improved

118-0160 Increased Environmental Management Capacity to Support Sustainable Economic Growth

Program Title: Environmental Management Capacity

118-0161 Environmental Resources Managed More Effectively to Support Economic Growth

Program Title: Environment

161.1: Eco-Businesses in Targeted Sectors Strengthened

161.2: Operating Efficiency of Businesses Adopting Environmentally Friendly Practices Improved

161.3: Practices that Improve the Environmental Quality of Services Adopted by Municipalities

161.4: Forestry Management Practices Strengthened

118-0200 More Open, Democratic Society

Program Title: Strengthening Democracy

118-0210 Increased, Better Informed Citizens' Participation in Political and Economic Decision-Making

Program Title: Citizens' Participation

118-0211 A More Open, Participatory Society

Program Title: More Open, Participatory Society

211.1: Sources of Non-state Information that are Accessible to the Public Increased and Improved

211.1.1: Public Information Provided through NGOs Increased

211.1.2: Access to Legal Protection for Media Increased

211.1.3: Business, Professional, and Ethics Practices in the Media Sector Strengthened

211.1.4: Public Interest Information Available on the Internet Increased
211.2: Civil Society and Advocacy Institutions Strengthened
211.2.1: Cooperation between NGOs, Government, and Business for Public Purposes Increased
211.2.2: Citizens' Interests More Efficiently Represented
211.2.3: Financial, Organizational, and Outreach Capacity Increased
211.3: Democratic Culture for Citizen Participation Strengthened
211.3.1: Civic Education Programs for Youth Improved
211.3.2: Patterns of Volunteerism and Charitable Giving Strengthened
211.3.3: Number of Citizens Participate in Direct Action Activities Increased

118-0220 Strengthened Rule of Law and Respect for Human Rights
Program Title: Rule of Law

118-0221 Legal Systems Strengthened
Program Title: Legal Systems Strengthened

221.1: Public Awareness of Legal Rights Increased
221.2: More Lawyers Skilled in Representing Clients
221.3: Judicial System More Transparent, Independent, and Efficient

118-0231 Local Governance Made More Responsive and Accountable
Program Title: Improved Local Governance and Economic Development

231.1: Local Governments More Effective in Managing Resources
231.1.1: Local Officials More Knowledgeable and Skilled in Democratic Governance
231.1.2: Local Financial Management Practices are Improved
231.1.3: Local Policies and Procedures Developed, and Adopted to Stimulate Economic Growth
231.2: Local Governments Operate in Sustained Partnership with Their Communities
231.3: Equity, Effectiveness, and Efficiency in the Delivery of Goods and Services Increased
231.4: Legal Environment Improved for Governments to Be More Responsive and Accountable

118-0300 Use of Improved Health and Child Welfare Practices Increased
Program Title: Infectious Diseases, Population, and Child Welfare

118-0320 Improved Effectiveness of Selected Social Benefits and Services
Program Title: Selected Social Benefits and Services

118-0321 Use of Improved Health and Child Welfare Practices Increased
Program Title: Health and Child Welfare

321.1: Access to More Effective Primary Health Care Services Increased
321.2: Improved Prevention and Control Practices Adopted to Reduce the Spread of HIV/AIDS and STDs
321.2.1: Reduce high risk behavior and increase awareness of HIV/AIDS among high risk groups and youth
321.2.2: Improved enabling environment
321.2.3: Increased access to safe, acceptable treatment, care and support services
321.2.4: Increase in the number of USAID HIV/AIDS pilot programs adapted and replicated in Russia
321.3: Access to More Effective TB Control Services Increased
321.4: New Child Abandonment Prevention Models and Policies Implemented

118-0410 Special Initiatives
Program Title: Special Initiatives

118-0420 Program Support
Program Title: Program Support and Special Initiatives Programs